

## **CYE 2010 and 2011 Risk Adjustment**

The AHCCCS Acute Risk Adjustment Methodology is generally the same as outlined in the Whitepaper for CYE 09 with comments and exceptions as noted below.

- Used Version 7.5 instead of 7.0 of the Episode Treatment Groups. Same model and vendor were used.
- Audit of encounter information for 1500s found that plans were not consistently pointing header diagnoses to each line of the claim. Some were pointing each line to all diagnoses and some were pointing lines to individual diagnoses as the claim was received. Due to all plans not storing the detail line level information to be able to correct the situation, all plans were required to submit information for all 1500s for CYE 09 to point each line to all diagnoses. This will allow for consistency among the plans.
- The risk adjustment factors for CYE10 will be used for CYE11.
- No recalibration of risk weights
- Enrollment and encounters from October 1, 2008 – September 30, 2009 will be used to calculate the risk adjustment factors.
- Same eligibility groups will be risk adjusted. Non-MED will be both risk adjusted and reconciled per the contract amendment for CYE10 and CYE11.
- Full impact (100%) of the risk adjustment factors will be applied to the rates.
- Encounter data for Pima Health Plan was considered complete and accurate and therefore used for risk adjustment.
- Administration was adjusted to reflect the decreased administration built into the capitation rates for CYE10. The new administration factor used in risk adjustment is the contractor's bid administration PMPM reduced by 5.88%.
- Risk Contingency was adjusted to reflect the decreased risk contingency built into the capitation rates for CYE10. The new risk contingency factor used in risk adjustment is the contractor's bid risk contingency PMPM reduced by 50%.
- Newborns: Updated member and encounter information for a new period based on using diagnosis data for the period October 1, 2008 – September 30, 2009 for those members who are less than 1 year of age during that time frame and have at least three months of experience or disenrolled due to death.
- Newborns: Eliminate methodology for plans that are new to a GSA versus existing health plans. All plans are now existing and treated as such.
- Newborns: GSA 10 will be treated as two separate GSAs (Pima only and Pima and Santa Cruz combined) instead of one. This is consistent with the non-newborn methodology.